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# Medicare and Employer Health Plans

A Special Rule for People Age 65-69

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## **MEDICARE AND EMPLOYER HEALTH PLANS**

### **A Special Rule for People Age 65-69**

If you're age 65 through 69 and either you or your spouse are working, there is a special rule that may affect you. This rule, which is administered by the Equal Employment Opportunity Commission, says that an employer with 20 or more employees must offer workers and their spouses in the 65 through 69 age group\* the same health insurance plan that it provides for younger workers.

**W**HAT DOES THIS MEAN? It means that you may accept or reject the plan offered by your employer. If you accept the employer plan, it will be your primary plan.

**W**HAT IS A PRIMARY PLAN? A primary health insurance plan is a plan that pays first for any covered health care services you receive.

\*The rule affects employees age 65 through 69, and the spouses—age 65 through 69—of employees under age 70. (Before January 1, 1985, the rule affected age 65-69 spouses only if the employed individual was also age 65-69.) The law does not apply to individuals 65 and over who have permanent kidney failure. The special rule that applies to individuals under age 65 with permanent kidney failure who have employer group health plan coverage is explained in HCFA Publication No. 10128, *Medicare Coverage of Kidney Dialysis and Kidney Transplant Services*.

## **I F I ACCEPT MY EMPLOYER PLAN HOW DOES IT AFFECT MY MEDICARE COVERAGE?**

If your employer plan does not pay all of the charges, Medicare may pay secondary benefits for Medicare covered services. In other words, it can help pay some of the expenses not paid by the employer plan. You should apply for Medicare hospital insurance (Part A). There's no premium if you have enough work credits under Social Security or Railroad Retirement, and it can supplement your employer plan. Whether you wish to enroll in or keep Medicare Part B will depend on how fully your employer plan covers the doctors' and other health services Medicare Part B covers. You need to consider whether the secondary benefits Medicare Part B would pay are worth the cost to you of the Part B premium (\$15.50 a month in 1985).

## **I SN'T THERE A PENALTY FOR DROPPING PART B AND SIGNING UP LATER?**

Not in this case. A special rule allows you to drop Part B of Medicare or delay enrolling without any penalty or surcharge being added to the premium if you're covered under Part A of Medicare every month you're covered under the employer plan. There's also a special 7-month enrollment period when you can apply for Part B coverage to begin right away. This enrollment period begins when you stop working or

drop your employer plan, or 3 months before your 70th birthday.

## **W**HAT IF I DON'T WANT MY EMPLOYER PLAN?

If you don't accept your employer plan, Medicare is your primary payer. But if you make that choice, your employer plan cannot pay supplemental benefits for Medicare-covered services.

**W**HAT DOES THAT MEAN? It means your employer plan can provide coverage only for health care services that are not covered by Medicare (such as prescription drugs, hearing aids or routine dental care). Also, it means you must buy your own supplemental health insurance or "Medigap" plan, if you feel you need such additional protection.

## **H OW WILL I KNOW WHAT OPTIONS ARE AVAILABLE TO ME WHEN I BECOME 65?**

Under the rules of the Equal Employment Opportunity Commission, the employer must provide each worker and spouse (if either is age 65) a written explanation of their options under the employer's health plan and how Medicare coverage is affected. They must also be given an opportunity to make an election in writing.



## **WHAT DO I DO ABOUT FILING CLAIMS IF I HAVE EMPLOYER PLAN COVERAGE?**

You should give the hospital, doctor, or any other supplier of covered services the necessary information about your employer plan (name, policy number, etc.) and inform them that the employer plan should be billed first. If, for any reason, your doctor or supplier does not submit claims to your employer plan, send your own claim first to the employer plan or ask your personnel office to assist you. If your employer plan does not pay in full for services Medicare covers, enclose a copy of the employer plan explanation of benefits with your claim to Medicare for secondary benefits.

## **WHERE CAN I GET ADDITIONAL INFORMATION?**

If you have questions or need additional advice about Medicare benefits or eligibility, contact your nearest Social Security office. (If you're entitled to Medicare under the Railroad Retirement system, contact your nearest Railroad Retirement Board district office.) For information on your private group plan coverage, consult your employer.





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